

105TH CONGRESS
2D SESSION

H. R. 3149

To amend the Internal Revenue Code of 1986 to increase the amount of
the personal exemption.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1998

Mr. THUNE (for himself and Ms. DUNN) introduced the following bill; which
was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase
the amount of the personal exemption.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Choice Act
5 of 1998”.

6 **SEC. 2. FINDINGS.**

7 The Congress hereby finds that—

8 (1) the Congressional Budget Office has pro-
9 jected a Federal budget surplus at the end of fiscal
10 year 1998, the first surplus in almost 30 years;

1 (2) if there is such a surplus, a systematic plan
 2 should be put in place to retire our
 3 \$5,500,000,000,000 debt while restoring the social
 4 security and other trust funds; and

5 (3) once such a plan has been adopted in the
 6 context of a balanced Federal budget and as an al-
 7 ternative to new Government spending, Congress
 8 should provide broad-based tax relief that will allow
 9 hard-working Americans to keep more of what they
 10 earn and the freedom to provide for their own needs.

11 **SEC. 3. INCREASE IN AMOUNT OF PERSONAL EXEMPTION.**

12 (a) IN GENERAL.—Paragraph (1) of section 151(d)
 13 of the Internal Revenue Code of 1986 (relating to exemp-
 14 tion amount) is amended by striking “\$2,000” and insert-
 15 ing “\$3,400”.

16 (b) ADJUSTMENT OF PHASEOUT THRESHOLD
 17 AMOUNTS.—Subparagraph (C) of section 151(d)(3) of
 18 such Code is amended—

19 (1) by striking “\$150,000” and inserting
 20 “\$186,800”,

21 (2) by striking “\$125,000” and inserting
 22 “\$155,650”,

23 (3) by striking “\$100,000” and inserting
 24 “\$124,500”, and

1 (4) by striking “\$75,000” and inserting
2 “\$93,400”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Paragraph (4) of section 151(d) of such
5 Code is amended to read as follows:

6 “(4) INFLATION ADJUSTMENT.—In the case of
7 any taxable year beginning in a calendar year after
8 1998, the dollar amount contained in paragraph (1),
9 and each dollar amount contained in paragraph
10 (3)(C), shall be increased by an amount equal to—

11 “(A) such dollar amount, multiplied by

12 “(B) the cost-of-living adjustment deter-
13 mined under section 1(f)(3) for the calendar
14 year in which the taxable year begins, by sub-
15 stituting ‘calendar year 1997’ for ‘calendar year
16 1992’ in subparagraph (B) thereof.”.

17 (2) Subparagraph (B) of section 1(f)(6) of such
18 Code is amended by striking “151(d)(4)(A))” and
19 inserting “151(d)(4) as it applies to section
20 151(d)(1))”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 1998.

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